

BUSINESS & FINANCIAL OVERVIEW

Stocks Move Mostly Higher On Upbeat Economic Data - U.S. Commentary

Stocks have moved modestly higher over the course of morning trading on Thursday, rebounding on the heels of the pullback seen late in the previous session. Buying interest has remained somewhat subdued, however, limiting the upside for the major averages.

Currently, the major averages are all in positive territory, although the Dow is up just 3.51 points or less than a tenth of a percent at 26,433.65. The Nasdaq is up 31.01 points or 0.4 percent at 8,080.65 and the S&P 500 is up 5.10 points or 0.2 percent at 2,928.83.

The modest strength on Wall Street comes following the release of a batch of largely upbeat U.S. economic data, including a Labor Department report showing a spike in productivity.

The Labor Department said productivity surged up by 3.6 percent in the first quarter after climbing by a downwardly revised 1.3 percent in the fourth quarter.

Economists had expected production to jump by 2.2 percent compared to the 1.9 percent increase that had been reported for the previous quarter.

Meanwhile, the report also said unit labor costs dropped by 0.9 percent in the first quarter after soaring by 2.5 percent in the fourth quarter.

The pullback in unit labor costs came as a surprise to economists, who had expected costs to climb by 1.5 percent during the quarter.

A separate report from the Commerce Department showed new orders for manufactured goods jumped by more than expected in March amid a substantial rebound in orders for transportation equipment.

The Commerce Department said factory orders spiked by 1.9 percent in March after falling by a revised 0.3 percent in February. Economists had expected orders to surge up by 1.5 percent.

Nonetheless, traders seem reluctant to make significant moves ahead of the release of the Labor Department's more closely watched monthly jobs report on Friday.

Employment is expected to increase by 185,000 jobs in April following the addition of 196,000 jobs in March, while the unemployment rate is expected to hold at 3.8 percent.

Semiconductor stocks are showing a significant rebound after turning lower over the course of the previous session, with the Philadelphia Semiconductor Index jumping by 2 percent.

Communications chip maker Qualcomm (QCOM) is posting a standout gain after reporting better than expected quarterly results and revealing it will receive at least \$4.5 billion from Apple (AAPL) as part of a recent legal settlement.

